

104TH CONGRESS
1ST SESSION

H. R. 2004

To amend the Internal Revenue Code of 1986 to exclude from the social security tax on self-employment income certain amounts received by insurance salesmen after retirement.

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 1995

Mr. BOEHNER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude from the social security tax on self-employment income certain amounts received by insurance salesmen after retirement.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXCLUSION FROM SELF-EMPLOYMENT TAX**
4 **FOR CERTAIN AMOUNTS RECEIVED BY IN-**
5 **SURANCE SALESMEN AFTER RETIREMENT.**

6 (a) INTERNAL REVENUE CODE.—Subsection (a) of
7 section 1402 of the Internal Revenue Code of 1986 (defin-
8 ing net-earnings from self-employment) is amended by

1 striking “and” at the end of paragraph (14), by striking
2 the period at the end of paragraph (15) and inserting
3 “; and”, and by inserting after paragraph (15) the follow-
4 ing new paragraph:

5 “(16) there shall be excluded amounts received
6 by a former insurance salesman after retirement if—

7 “(A) such amounts are deferred or renewal
8 commissions on policies sold by such salesman
9 before retirement or are computed by reference
10 to commissions received by such salesman be-
11 fore retirement on such policies, and

12 “(B) such salesman was not an employee
13 for purposes of chapter 21 with respect to the
14 sale of such policies.”

15 (b) SOCIAL SECURITY ACT.—Subsection (a) of sec-
16 tion 211 of the Social Security Act (defining net-earnings
17 from self-employment) is amended by striking “and” at
18 the end of paragraph (13), by striking the period at the
19 end of the paragraph (14) and inserting a semicolon, by
20 striking the period at the end of paragraph (15) and in-
21 serting “; and”, and by inserting after paragraph (15) the
22 following new paragraph:

23 “(16) There shall be excluded amounts received
24 by a former insurance salesman after retirement if—

1 “(A) such amounts are deferred or renewal
2 commissions on policies sold by such salesman
3 before retirement or are computed by reference
4 to commissions received by such salesman be-
5 fore retirement on such policies, and

6 “(B) such salesman was not an employee
7 for purposes of chapter 21 of such Code with
8 respect to the sale of such policies.”

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 1994.

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